



## **This is market abuse**

**By: Lawrence E. Howes, MBA, CFP®**

Everyone has been burned, disappointed, appalled, and generally tested to their limits during this gruesome market correction. I have seen more pain on peoples' faces than from any of the corrections I have experienced in 29 years of managing money. However, the markets are showing signs of recovery and although we are not out of the woods yet, we are moving closer to better times.

How we define better times is sill debatable, but there have already been some good days in the markets and seeing the S&P 500 come back 25% or so in the month of April and some more in May was very encouraging. Those people who assumed the end of civilization coupled with riots in the streets can stop filling those sandbags and buying handguns. Those who went to gold and commodities better rethink those positions because significant inflation in the US economy is probably two or more years away.

If some of your favorite companies got all beat up you might see them recover, if they survive. Survival going forward will likely mean staying popular with the new US consumer who has yet to emerge. The troubles in the rest of the globe are more severe than in the US and it will probably take those economies more time to repair the damage and restore confidence. However the largest single issue for the global economy has yet to be resolved. Namely, how much will the US consumer spend once they open their pocketbooks again? No one knows, but it is a safe bet that consumer spending will not return to the giddy days of the past so be cautious where you invest. The economy that is emerging from this train wreck is a very different beast than the one that just got killed. It's not like we hunted the old economy down and gave it a swift and painless death. It's more like it abused us before its demise and a new beast is arising from the ashes.

*Lawrence E. Howes, MBA, CFP®, is a principal at Sharkey, Howes & Javer, Inc., a Denver based, FEE-ONLY, financial planning and investment management firm and a supporter of the Colorado Medical Society. Mr. Howes is also one of the "Best Financial Advisors for Doctors" since 1998 according to Medical Economics. Visit us at SHWJ.com or call for more information at 303-639-5100.*